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**KEY
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HOUSING EXPORT OPPORTUNITIES SERIES

COUNTRY REPORT



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GEOGRAPHY

The Republic of Austria is a stable, affluent, parliamentary democracy located in the centre of Europe, bordering Switzerland, Liechtenstein, Germany, Italy, Hungary, Slovenia, Slovakia, and

the Czech Republic. Austria has a population of just over 8 million people, 98 percent of which are German-speaking.



DEMOGRAPHICS

In the medium term, the Austrian population is predicted to grow from 8.01 to 8.11 million people by 2000. The current fertility rate (less than 1.3 children per woman) implies that, for the near future, annual increases in population can only result

from immigration. In the medium term, the population aged 65 and older will grow significantly. The number of households will continue to grow, at least until the next decade, due to family downsizing and increasing single-person households.

ECONOMIC OVERVIEW

The Austrian economy is fully mature and open. Spurred by strong exports, the 1995 GDP reached \$275.1 billion, reflecting a real growth rate of 2.1 percent over 1994 and a per capita GDP of \$34,221. Moderate growth is expected in future years. The inflation rate of 2.3 percent and unemployment rate of 4.6 percent are both low.

On January 1, 1995, Austria acceded to the European Union (EU), a move that is expected to stimulate the economy over the next several years. Trade with other EU countries accounts for about 60 percent of Austrian imports and exports. Expanding trade and investment in the emerging markets of Central and Eastern Europe is another source for Austrian economic growth. As one of the most important trading partners and investors in the region, Austria stands to benefit greatly from its geographic, cultural, and business ties to these markets in transition.

As a member of the EU, Austria has adopted the EU integrated tariff regime (TARIC), with an average duty rate on manufactured goods of 5.44 percent. As a result of this change, approximately 63 percent of all existing tariffs were lowered, while approximately 31 percent were increased.

Austrian national standards are in the process of being harmonized with those of the EU. For some categories of goods, including machines, the EU certification (CE mark) is required; for others,

existing national standards apply. Testing and certification procedures are generally transparent in Austria. Problems can arise, however, when seeking certification of state-of-the-art technologies.

The investment climate in Austria is favourable, with no formal sectoral or geographic restrictions. The Austrian government generally welcomes all foreign direct investment, with no discrimination against foreign investors. In most business activities, 100 percent foreign ownership is permitted.

Investment incentives are abundant. In addition to EU incentives covering approximately 41 percent of Austrian territory, financial incentives are offered by federal, provincial, and local governments, as well as other institutions.

As a consequence of Austria's entry into the EU and its plans for budgetary consolidation, the economy is expected to remain stable at an annual 2.4-percent increase until 2000. The mainstay of economic growth will lie in merchandise exports that are likely to boom with the expansion of the German economy as well as a lively import demand in the countries of Eastern and Central Europe. Austerity measures to reduce the federal budget are expected to slow growth in household incomes and in consumer demand. The net disposable income of private households will grow, on average, by 1.6 percent by 2000.

POLITICAL OVERVIEW

Austria is a Republic, with a President elected by universal suffrage for a six-year period. The country is divided into nine Laender or provinces, each with its own Parliament, or Diet and Premier, or Landeshauptmann. At the Federal level, the Chancellor is equivalent to the Prime Minister,

having executive powers. There is a bicameral legislature, with a lower house, or Nationalrat elected by a system of proportional representation from 25 constituencies, and a upper house, or Bundesrat, elected by the provincial Diets.

TRADE POLICY

Austria is a member of the European Union (EU). It is a trade dependent country with exports representing 41 percent of GDP. The country regularly turns a deficit on trade in goods and investment flows, but a large surplus on tourism brings the current account close to a balanced position.

Austrian trade is focused on Europe, with the EU accounting for 66.1 percent of Austrian exports, EFTA 8.6 percent, Eastern Europe 11.6 percent, and North America 3.2 percent.

The strong export performance in the reform states of Central Europe has limited the decline in the overall trade performance. In the early 1990s Austrian trade with Hungary exceeded its trade with the United States and exports to Slovenia were greater than to Russia. Austria, and in particular Vienna, is likely to remain a strategic hub for East-West commerce and a source of specialized trading and financing services.

Canada-Austria trade is among the most dynamic, fastest growing between any North American and Western European pair of countries. During the 1991-95 period, Canadian exports to Austria increased by 162 percent. Canadian exports to Austria were valued at \$286 million while Austrian exports to Canada were \$536 million.

Until recently, Canada exported mostly resource-based products to Austria in return for machinery, transportation equipment and other finished products. This situation changed in the 1980s when Northern Telecom obtained a long-term contract to upgrade the Austrian telephone system. In recent years, Canada has made remarkable progress in selling more sophisticated products to Austrian buyers.

Austrian direct investment in Canada totals \$91 million and Canadian direct investment in Austria is \$190 million. In the last few years, a number of Canadian and Austrian firms in several industry sectors have formed strategic partnerships and joint ventures.

HOUSING CONDITIONS

Austria had an estimated 3.06 million households within a population of 8.11 million inhabitants as of 1995. In the previous year, a total of 12.27 billion ECU (1 ECU = 13.50 AS) had been allocated to new housing (7.9 billion ECU), renovation and housing rehabilitation (4.38 billion ECU).

Housing Construction Activity

With the significant increase in production this country has known over the course of the 1988-95 period, its growing housing construction sector hardly seemed affected by the widespread economic recession of 1993 although a sharp fall was expected for the first time in 1995-96. Government incentives implemented in the early 1990s in support of new residential housing construction have led to a 13-percent increase. This peak is to be followed by slight progression over the second half of the decade. According to data published by Euroconstruct, average annual growth rates of 6.5 percent in 1995 and 3.5 percent in 1996 were expected to prevail. Medium term projections show a 2.5-percent annual increase over the 1996-2000 period.

New Residential Construction

Austrian residential construction output rose markedly in the early 1990s. Since then, the housing market has changed dramatically with the opening of Eastern Europe. As a result of heavy immigration from Eastern European countries and increasing demand from younger households,

considerable housing shortages have plagued the country. The public incentive programs launched in the early 1990s have led to a continuous and substantial upswing in residential construction through the first half of the decade. As shown in Table 1, the number of housing completions came close to 50,000 units in 1994 and steady growth was expected for the following year. Out of this total, approximately 20,000 new single and two-family detached housing units were being built each year. For 1996-97, housing completions are expected to reach 55,000 to 58,000 units annually. In the past, demand for single and two-family housing has remained high, but it is expected to weaken with the threat of public funding cuts. It should be noted that these incentive programs have led to a level of stagnation within the housing market and newly-completed residential units are often overpriced and remain unsold.

Repair and Maintenance

The renovation and rehabilitation sector shows the greatest continuity amid all other housing construction sectors. While residential renovation investments have already increased significantly over the past few years, urban areas continue to provide great demand for the maintenance of their existing building stock. Tighter public budgets are expected to slow public spending. Medium-term growth forecasts for residential housing renovation and rehabilitation are 3 percent annually.

Table 1:
Housing Completions and Forecasts (in thousands)

Housing	1994	1995	1996	1997	1998	1999	2000
1 + 2 Family dwellings	19.5	21.5	21.5	22.0	21.0	20.0	19.0
Flats dwellings	29.4	31.5	33.5	36.0	31.0	30.0	28.0
Total dwellings	48.9	53.0	55.0	58.0	52.0	50.0	47.0

Source: Euroconstruct, European Construction to 2000, October 1995.

HOUSING MARKET CHARACTERISTICS

Overview

Completions of single and two-family homes were expected to reach 21,500 in 1995 and 1996 and then decline to the 19,000 mark by 2000. The number of wood-frame housing units included in this total is slightly below 15 percent.

In general terms, prices per m² of living area in private housing are estimated at \$2,400 but frequently exceed \$3,300. Newly-constructed dwellings are often hardly affordable to young people from the low-income category. Heated public discussions and suggestions for inexpensive construction methods are gaining ground.

The Austrian housing industry is self-sufficient for the construction of conventional concrete and brick housing. The current slow down in new housing construction activity has lowered the interest of local builders for new suppliers.

Wood-Frame Housing Market Characteristics

According to the Österreichischer Fertighaus-Verband, the Austrian Association of Prefabricated Housing companies, the number of wood-frame houses (also called "Fertighaeuser") produced by Austrian companies increased from 400 units in 1970 to 3,911 units in 1994. Approximately 800 units were exported that year. Some 30 local manufacturers of wood-frame prefabricated housing advertise frequently on Radio Austria and in daily newspapers and most have built housing prototypes across the country. German "Fertighäus" builders seem to be the only foreigners to have encountered success on the Austrian wood-frame housing market.

Austria imports substantial volumes of wood floorings, doors and other joinery products, mainly

from Germany and Scandinavia (especially Sweden and Finland).

Austria imports various types of lumber from several regions: low grade wood is usually provided by Eastern European countries and higher grades are acquired from Western Europe.

Local Housing Context

Each of Austria's nine Laender or provinces has enforced its own building code. Just as each province differs in topography and landscape, substantial variations can also be found in their respective housing styles and building regulations. The various wind and snow loading requirements, alone, impose the use of significantly different building technologies. Specifications also vary as to room heights, door dimensions, fire resistance, soundproofing and insulation. These factors contribute to the current slow down and make it more difficult to penetrate the Austrian housing market with value-added products. Requirement differences in the various regions are such that references to local specialists cannot be overlooked. As a result, housing product imports are less attractively priced. Moreover, the unavoidable wait in order to obtain full building permits may vary considerably from one region to the other.

It should be noted that the do-it-yourself market is prohibited in Austria.

Three associations offer potential for information about local companies and market trends to prospective Canadian exporters in Austria: the Austrian Association of Prefabricated Housing (Österreichischer Fertighaus-Verband) in Vienna (tel.: 43-1-406-8858), the Austrian Fiberboard Producers Association (Verband der Österreichischen Holzfaserplattenwerke) and the Austrian Chipboard Producers Association (Verband der Österreichischen Spanplattenwerke), both located in Vienna (tel.: 43-1-799-1694).

EXPORT OPPORTUNITIES AND STRENGTHS

The Austrian housing market is complex and difficult to penetrate. Panabode International Limited is one of the few Canadian companies active in this market. To date, the numerous constraints imposed by local authorities and the local industry have prevented any significant commercial success for Canadian companies.

In 1994 (the most recent year for which data is available), Canada exported US\$15 million to Austria, a 21-percent increase over 1992, placing Austria in 7th place on Canada's list for housing-related products exports among Western European countries. This increase is proportional to the country's 18-percent increase in imports for such products over the same period, growing from US\$1.2 billion to US\$1.4 billion. In 1994, as in 1992, Canada accounted for only 1 percent of Austria's total imports of selected products.

Approximately 80 percent of Canadian exports to Austria are limited to two product categories. The 1992-95 increase in exports is as follows:

- sawn-coniferous wood, 14 percent US\$10.5 million; and
- sawn non-coniferous wood, 20 percent US\$1.3 million

Manufactured products is the only area of substantial exports to Austria, and includes doors, windows and frames made of iron or steel, a sector that grew from about zero in 1992 to US\$0.9 million in 1994. However, this only accounts for 3 percent of Austrian imports.

Canada's strongest export to Austria is sawn coniferous wood with a 6-percent share of all Austrian imports.

The fastest-growing Austrian import categories over the 1992-94 period were:

- high density fiberboard, 189 percent US\$13 million;
- plastic builders' ware, 40 percent US\$101 million;
- non-coniferous worked wood, 34 percent US\$30 million;
- sawn-coniferous wood, 19 percent US\$174 million;
- particle board of wood, 25 percent US\$48 million;
- builders' joinery, 26 percent US\$149 million;
- air conditioning machines, non-wall type, 33 percent US\$47 million;
- prefabricated buildings, 32 percent US\$60 million.

Austria is becoming a significant and growing market for housing-related imports. The fastest growing import sectors highlighted represent market segments that offer opportunities to potential Canadian exporters. Local experts also recommend particularly attractive niche markets for Canadians with products such as winter gardens (atriums), laminated wood floorings and high value-added wood products. Also, low-priced models of foreign social and cooperative housing construction projects could progressively be implemented in Austria as current public discussions over access to affordable housing continue.

**Table 2:
National Trade Statistics**

Austria		Imports from Canada				Total Imports			Canada's Imp. Mkt Share	
SITC	Products	1992	1993	1994	1994/1992	1992	1994	1994/1992	1992	1994
2482	"Wood, conifer, sawn"	9323	7912	10585	14%	146480	174322	19%	6%	6%
2483	"Wood, conif, worked, shaped"	127	79	132	4%	24083	23054	-4%	1%	1%
2484	"Wood, non-conifer, sawn"	1102	887	1326	20%	60300	67639	12%	2%	2%
2485	"Wood, non-conif.wrkd, shpd"	19	26	114	500%	22714	30466	34%	0%	0%
27313	"Granite, sandstone etc."	183	82	126	-31%	9034	7741	-14%	2%	2%
63411	"Coniferous, veneer, etc."					3973	2790	-30%	0%	0%
63412	"Non-conifer.veneer, etc."		29			36992	44319	20%	0%	0%
63422	"Particle board,etc. wood"	410	789	610	49%	38772	48634	25%	1%	1%
63431	"Plywood, outr.trop.nconif"					10894	15762	45%	0%	0%
63439	"Plywood, solely wood, othr"			2		5978	9630	61%	0%	0%
63441	"Oth.plywd.outr.trop, ncon"	135	30	33	-76%	26522	27629	4%	1%	0%
63449	"Plywood, veneer.panel, nes"					22574	21672	-4%	0%	0%
63451	"Fibrebrd, dens.0.8g/cm3+"	14	4	26	86%	4794	13838	189%	0%	0%
63452	"Fibrebrd, dens0.5-.8g/cm3"					4719	8474	80%	0%	0%
63453	"Fibrebrd, dens.35-.5g/cm3"					107	322	201%	0%	0%
63459	Fibreboard nes					1871	2519	35%	0%	0%
63531	"Windows, window frames"					25598	32719	28%	0%	0%
63532	"Doors, frames, thresholds"			1		30614	37351	22%	0%	0%
63533	Shingles and shakes		49	32		664	864	30%	0%	4%
63549	Oth.buildrs.joinery etc.	206	233	299	45%	118541	149540	26%	0%	0%
63539	Wood ornaments etc.		42	4		10705	11270	5%	0%	0%
66241	"Ceramic bldng.bricks, etc"	672	120	307	-54%	6830	10004	46%	10%	3%
66332	"Bldng blocks, bricks, etc."					19740	20346	3%	0%	0%
66333	Prefab.bldng components					8579	13093	53%	0%	0%
66495	"Glass fibres, artcls.nes"					19110	22747	19%	0%	0%
69113	"Doors, windows, frames etc"	50	262	914	1728%	27240	27301	0%	0%	3%
69121	"Alum.doors, windows, frame"	9	5	59	556%	23256	23339	0%	0%	0%
69751	"Sanitary ware, nes, irn.st"					25382	28889	14%	0%	0%
74151	Wall type air conditionr					3409	4172	22%	0%	0%
74155	Oth.air conditioning mch	2		72	3500%	36120	47887	33%	0%	0%
74341	"Table,roof fans etc<125w"	17	32	47	176%	7157	7220	1%	0%	1%
77573	Other dom.elec-mech appl					16885	21330	26%	0%	0%
77884	Elec signalling apparatus	2		2	0%	35181	36177	3%	0%	0%
81100	Prefabricated buildings	2	95	106	5200%	45637	60093	32%	0%	0%
81211	"Radiators, parts thereof"					44298	46455	5%	0%	0%
81215	"Air heatr, distribtr, part"	9	2	18	100%	12678	8953	-29%	0%	0%
81229	Plumbing fixtures	2	3	89	4350%	22075	27445	24%	0%	0%
82153	"Kitchen furniture, wood"	1	8		-100%	57647	54904	-5%	0%	0%
87461	Thermostats	5		15	200%	39938	43296	8%	0%	0%
89321	Plastic sanitary ware					42684	50257	18%	0%	0%
89329	Othr.plstc.builders'ware					72575	101311	40%	0%	0%
89331	"Plstc.flr.cvrg, roll, tile"					43867	44218	1%	0%	0%
		12290	10689	14919	21%	1216217	1429992	18%	1%	1%

BUSINESS ENVIRONMENT

Business Customs

Business practice and etiquette is much the same in Austria as it is in North America, with only a few exceptions. When making appointments with prospective buyers or clients, it is considered courteous to meet them wherever it is most convenient for them. Appointments should be made in writing or by phone and well in advance. Also, and perhaps most importantly, Austrians tend to be tradition-conscious and attach importance to titles and the recognition implied through their use.

Correspondence and visits play a significant role in the conduct of business in Austria. Clarity and continuity in communications is very important. Prompt handling of correspondence is very much appreciated and helps to compensate for the distance between the two countries. When possible, offers and documentation should be in German. Marketing and sales policies should be oriented toward establishing lasting business relationships. The agent or local representative in Austria who has such material is in a far better competitive position than one who must show prospective customers trade literature in English.

Austrians are generally well disposed toward Canadians. Showing understanding for the Austrian way of doing things and observing certain unwritten rules of conduct will prove rewarding for the Canadian business person. Table 2 indicates holidays observed in Austria.

Business Infrastructure

Austria's transportation system is excellent. Modern highways connect most cities, and numerous border crossings into neighbouring countries are easily accessible. Air travel between major cities is available, and overland travel by train is comfortable and very reliable.

Major Austrian cities have efficient public transportation systems, including buses, subways, and trams. Taxi service is readily available. Taxis are generally requested by telephone or at designated taxi-stands as it is difficult to hail cabs

in the street. A variety of car rental agencies are located in major cities, with all major rental agencies represented.

**Table 3:
Holidays**

New Year's Day	January 1
Epiphany	January 6
Easter Monday	March/April
Labour Day	May 1
Ascension Day	May
Whit Monday	May
Corpus Christi Day	June
Assumption Day	August
National Day	October 26
All Saints' Day	November 1
Immaculate Conception	December 8
Christmas Day	December 25
St. Stephen's Day	December 26

Most large commercial and industrial enterprises, especially those specializing in international trade, can correspond in English, French, Spanish, and often one or more Slavic languages, in addition to German. As many Austrian firms operate as a kind of bridge to Eastern and Central Europe, it is common that the languages of that region are also languages of correspondence of many Austrian firms.

Austria has efficient postal and telephone services. Fax machines are widely used. E-mail and other Internet communications are still in an early stage of development. Larger firms and those specializing in computer and communications technology, however, are beginning to integrate these new means of communication into their procedures.

Business accommodations are readily available, provided by a wide variety of hotels and guest houses throughout the country. The food is excellent, with a variety to suit all tastes. Prices vary, ranging from the homey Gasthaus, which offers local dishes at very affordable prices, to the elegant restaurants of five-star hotels. Tap water is potable.

Distribution and Sales Channels

Austria can be divided into five marketing areas:

- Vienna, the capital, and vicinity;
- pre-alpine provinces: Styria, Lower Austria and Upper Austria;
- alpine provinces: Carinthia, Tyrol and Salzburg;
- Vorarlberg in the mountains in the west; and
- the eastern flatland of Burgenland.

Several distribution channels are open for Canadian goods to enter the Austrian marketplace, including wholesaling and retailing, as well as franchising, joint ventures and licensing.

Austria also serves as a unique western gateway to the markets of Central and Eastern Europe by virtue of its advantageous location, political neutrality, and its historical, cultural, and linguistic ties to the region. Numerous organizations in Austria offer expertise on trading and investing in these countries.

Finding a Partner

A foreign individual, partnership, or corporation may do business in Austria through an agent. If the agent is a citizen of Canada or another foreign country, the relationship between agent and principal is most likely governed by agency law in that country; if the agent is a citizen of Austria, this relationship is subject to Austrian law.

Under Austrian law, a distinction is made between an agent employed by the principal *Handlungsvollmaechtigter*, and an agent acting independently *Handelsagent*. Although both transact business in the name of and for the account of the principal, there are some differences that should be kept in mind.

The *Handlungsvollmaechtigter* has the authority to carry out all transactions that are normally required in the principal's business. However, that individual is not permitted to sell or encumber real estate, to sign bills of exchange, to lend money, or to engage in legal proceedings, unless specifically authorized to do so by the principal.

The *Handelsagent* may be given authority to enter into transactions for the principal which require approval from the principal. It is also possible to

confer the authority to enter into transactions without approval from the principal.

Both kinds of agents are entitled to commissions for transactions entered into during the period of their agency. Commissions are due when the principals have carried out their part of the transaction. Agents appointed for a particular area or a predefined clientele are also entitled to commissions for transactions made without their efforts. Agencies can be terminated by either the principal or agent without notice.

Joint Ventures and Licensing

Joint ventures may be formed as companies, partnerships or other forms for doing business in Austria. One common form for joint ventures is the civil law association. Such an association is not a legal entity, and participants are jointly liable for its debts.

Licensing has become increasingly common in Austria, partly as a means for foreign companies to transfer technology and to stay competitive in the face of steadily rising transportation costs. Royalty and license fee payments may be freely transferred out of Austria.

Establishing an Office

Many choices are available to the potential investor when setting up a business operation in Austria. These include public corporations, limited liability companies, limited or unlimited commercial partnerships, silent partnerships, branches of foreign enterprises, cooperative societies, and sole proprietorships.

Most foreign-owned businesses choose to operate in the form of a limited liability company (*Gesellschaft mit beschraenkter Haftung* — *GesmbH*), as it is simpler to form than other types of business operations. The repatriation of capital and earnings encounters no difficulties. A *GesmbH* is subject to corporation profits tax as well as trade tax on income.

Upon the formation of a limited liability company (*GesmbH*), two shareholders are required (who can be Austrian or foreign citizens). After formation, share capital can be transferred to one owner. Minimum initial share capital is AS500,000, with at least one-half paid up in cash. Local financing is available to foreign investors.

Day-to-day management is the responsibility of the registered managers. A supervisory board is generally required if more than 300 people are employed or share capital exceeds AS1 million, and if there are more than 50 shareholders. The supervisory board must have at least three members; one-third of the supervisory board must be employees' representatives. Certificates may not be issued to transfer shares, and the transfer of ownership must be transacted in the form of a notarized deed.

Selling Factors and Techniques

Shopping hours in Austria are regulated by law. Stores, including grocery stores, must stay closed on Sundays and holidays. Exceptions to this rule are a handful of gas station convenience stores, and mini-marts located at train stations and at the airports.

The law has recently changed to allow stores to operate 66 hours per week, but most stores will be open only between 9:00 a.m. and 6:30 p.m. on weekdays and Saturdays from 9:00 a.m. to 12:00 p.m. Although with the new law, stores are beginning to open longer on weekdays and every Saturday can be a "long" Saturday with stores open in the afternoon. The hours reflect the additional labour costs of staying open past 6:00 p.m. Staff required to work past 6:00 p.m. is entitled to 170 percent of salary, and those who work after 8:00 p.m., to 200 percent.

Advertising and Trade Promotion

Local advertising is less sophisticated than in most of Western Europe in terms of style, imagination, targeting, and market penetration. Industrial technology is sought by aggressive, innovative companies interested in upgrading their operations.

Newspapers and magazines rank first among the advertising media, taking in over 50 percent of total advertising outlays. Austria's principal newspapers include the conservative and comprehensive Die Presse with a Saturday circulation of about 140,000, Der Standard, an economics-oriented daily, which has a Saturday circulation of 191,000, and the Kurier, a middle-of-the road paper with a daily circulation of about 450,000. Austria's two largest tabloid

papers, the Neue Kronen Zeitung and Taeglich Alles, both enjoy high circulation density.

Radio and television are Austrian state monopolies. The Austrian Broadcasting Corporation (ORF) operates two television channels and three radio stations with a combined daily audience of 2.5 million people. Treatment of international developments on television and radio is usually prompt, comprehensive, and straightforward. Blue Danube Radio provides English language programming.

The wide availability of satellite and cable television in Austria offers an excellent medium for advertisers interested in the Austrian market. In addition to the two Austrian stations, viewers can choose from around 30 additional programs, including the major public and private German broadcasters, as well as Swiss, Italian, American, (CNBC and CNN) and international (Euro-news and ARTE) channels.

Billboard advertising has remained a constant feature of Austrian marketing for many years. Posters are displayed in post offices, telephone booths, on public transportation and other motor vehicles, on outdoor pillars along public routes and other heavily frequented places. Sites may be hard to find since many advertisers retain them year after year.

Pricing Products

Due to relatively high social costs of labour and extensive agricultural subsidies, the price level in Austria is high. Although the fall in prices at the consumer level was one of the strongest arguments in favour of Austrian entry into the EU on January 1, 1995, the impact of increased competition and the elimination of tariffs on price levels has yet to have an impact on consumer prices. However, as Austrians have begun to take advantage of the freedom of unlimited personal shopping in other EU countries, prices in the districts near the EU-internal borders have begun to come down.

Austria has a value-added tax (VAT) that is ultimately paid by the consumer and should be taken into consideration when pricing products. The VAT ranges between 10 and 20 percent. Most products carry a VAT of 20 percent.

Sales Service and Customer Support

An exporter to Austria will generally be expected or required to provide post-sales service. Brand-name sellers generally have extensive customer service and support networks in Austria.

Selling to the Government

The Austrian Government adheres to GATT Public Procurement Procedures, but some major contracts are negotiated by invitation. Provincial and municipal authorities are not bound by GATT requirements, and the Austrian military sometimes makes its own contracting arrangements (limited tenders).

Protecting Your Intellectual Property

Austria is a member of all international intellectual property rights agreements.

Need for Local Legal Assistance

Some Austrian law firms can conduct business in English.

Regulatory Issues

The Austrian customs regime is based on the TARIC (integrated tariff of the EU), determined in Brussels. Customs valuation is according to GATT regulations.

When Austria became a member of the EU on January 1, 1995, approximately 63 percent of the existing tariffs were lowered or eliminated, while about 31 percent were increased. Sixty percent of all products from third countries enter without any tariff. In addition, there is no tariff imposed on the temporary entry of products into Austria, for example as part of a trade fair exhibit.

While the average tariff level in the EU is relatively low, at only 5.44 percent for manufactured goods, some goods are taxed at a much higher rate.

Shoes and motor vehicles, for example, are subject to a 20 percent duty; tariffs from 14-17 percent are not unusual for such items as office machines, computers, and some textile products.

Some goods are subject to tariff quotas, whereby after a certain quantity of the good has entered the EU at low or zero duty rate, the rate is increased.

Primarily these are goods which are determined to be useful to the European economy only in certain quantities, generally as raw materials or parts. The Austrian importer can get information about the extent to which the quota has been filled through the Customs Office Subin, which has an on-line connection to Brussels, as well as through the Main Customs Offices (Hauptzollaemter) of the Ministry of Finance.

In order to bring goods from a third country into Austria and then into the EU market, a customs declaration must be made by a resident of the EU. Depending on the product and the country from which it is being imported, specific evidence material (such as proof of land of origin and invoice) must be included. Where a tariff applies, the duty is collected within 15 days of import.

The exporter is required to report the intended transaction to the responsible export customs authority; most goods require no special permission for export (the exception, as mentioned earlier, pertains to strategic items). The content of the shipment is then verified at an external border of the EU.

Although there are no specifically prohibited imports, the EU controls the entry of some products into the EU market through standards and content regulations. Though goods which do not meet EU standards may be imported, they cannot be released into the market until they are modified in such a way as to comply with EU standards regulations.

The Austrian Standards Institute (Oesterreichisches Normungsinstitut — ON) is a private non-profit organization incorporated by the Austrian Parliament in the Standards Act of 1971 as the only Austrian body to issue and endorse Austrian standards.

ON prepares standards in a variety of fields: ores and metals, mechanical engineering, building and construction, health and medical equipment, non-metallic materials, chemical and allied industries, special technologies, personal safety, food, environment and waste management.

Approximately 90 percent of the standards ON prepares are voluntary. Presently, the collection comprises 6,115 standards, including national implementation of 1,736 European standards, 268 European telecommunications standards, and 9,852 international standards.

The ON produces a catalogue of its standards, ON-KATALOG, as well as a monthly standardization magazine, entitled "CONNEX," which provides information on the latest changes in national, European and international standards.

ON InfoPoint is a commercial information service which offers specific investigations to clients in the field of standards and technical regulations in Austria and abroad.

Austria is a signatory to the GATT Standards Code. ON is the enquiry point for information on non-governmental standards; the Federal Ministry of Economics is the enquiry point for governmental regulations.

The address is:

Oesterreichisches Normungsinstitut (ON)
Heinestrasse 38, Postfach 130
A-1021 Vienna, Austria
Tel.: (43 1) 213 00-626
Fax: (43 1) 213 00-650

Canadian firms exporting to Austria may encounter problems in meeting Austrian product standards. European Union attempts to harmonize the various product safety requirements of its member states have complicated the issue. For industrial products, this harmonization is being implemented through EU directives. During the transition period, national requirements must be met.

After the transition period, the European-wide "CE" mark will supersede all other compliance

certificates, provided the products concerned are covered by an EU directive.

Both EU requirements and the standards for an Austrian quality or performance mark will in many cases require that a product be modified. Even if the product does not require modification, it will require testing and certification before it can be marketed.

An estimated 80 percent of all products sold in the EU will require the "CE" mark once all directives have been passed and all transition periods have expired. Where EU directives are in place, the "CE" mark is mandatory for the entry of a product into the single market. In future, Austrian consumers will look for these marks the same way Americans look for the "UL" mark.

The standard series ISO 9000 for quality management is one of the most important voluntary standards in Austria. After its first appearance and worldwide acceptance, an update was completed in 1994. The revised ISO 9000, 9001, 9002, 9003 and 9004 were published by the World Standards Organization on July 1, 1994. At the same time the second edition of standard ISO 8402 appeared.

On September 1, 1994, ISO 9000 was implemented as a European Standard in the Austrian Standards collection, called "OENORM EN ISO 9000 ff." ISO 9000 is widely accepted in Austria; in fact, it has become almost a must in many industries.

CONTACTS

Canada Mortgage and Housing Corporation

Housing Export Centre

700 Montreal Road
Ottawa, Ontario K1A 0P7

Tel.: 1-800-465-6212 or
(613) 748-2000
Fax: (613) 748-2302

Canadian Government Departments and Services

Department of Foreign Affairs and
International Trade (DFAIT)

InfoCentre
Lester B. Pearson Building
Western Europe Trade, Investment
and Technology Division (RWT)
Michel Tetu
125 Sussex Drive
Ottawa, ON K1A 0G2

Tel.: 1-800-267-8376 or
(613) 996-3774
Fax: (613) 996-9709
FaxLink: (613) 944-4500
InfoCentre Bulletin Board:
Tel.: 1-800-628-1581 or
(613) 944-1581

Europe Trade Division
Central Europe (REN)
125 Sussex Drive
Ottawa, ON K1A 0G2

Tel.: (613) 995-3774
Fax: (613) 995-8756

Canadian Embassy in Vienna

Gregory Kostyrsky, Commercial Councillor
Laurenzerberg 2
A-1010 Vienna

Tel.: 43-1-531-38-3351
Fax: 43-1-531-38-3906

International Trade Centres

Newfoundland

International Trade Centre
P.O. Box 8950
Atlantic Place
215 Water Street
Suite 504
St. John's, NF A1B 3R9

Tel.: (709) 772-5511
Fax: (709) 772-5093

Prince Edward Island

International Trade Centre
P.O. Box 1115
Confederation Court Mall
134 Kent Street
Suite 400
Charlottetown, PE C1A 7M8

Tel.: (902) 566-7443
Fax: (902) 566-7450

Nova Scotia

International Trade Centre
P.O. Box 940, Station M
1801 Hollis Street
Halifax, NS B3J 2V9

Tel.: (902) 426-7540
Fax: (902) 426-5218

New Brunswick

International Trade Centre
1045 Main Street
Unit 103
Moncton, NB E1C 1H1

Tel.: (506) 851-6452
Fax: (506) 851-6429

Quebec

International Trade Centre
5 Place Ville-Marie
Seventh Floor
Montreal, PQ H3B 2G2

Tel.: (514) 283-6328
Fax: (514) 283-8794

Ontario

International Trade Centre
Dominion Public Building
1 Front St. West
Fourth Floor
Toronto, ON M5J 1A4

Tel.: (416) 973-5053
Fax: (416) 973-8161

Manitoba

International Trade Centre
P.O. Box 981
330 Portage Avenue
8th Floor
Winnipeg, MB R3G 2V2

Tel.: (204) 983-5851
Fax: (204) 983-3182

International Trade Centres (cont'd)

Saskatchewan	International Trade Centre The S.J. Cohen Building 119-4 th Avenue South Suite 401 Saskatoon, SK S7K 5X2	Tel.: (306) 975-5315 Fax: (306) 975-5334
Alberta <i>* Edmonton office is also responsible for Northwest Territories</i>	International Trade Centre Canada Place 9700 Jasper Avenue Room 540 Edmonton, AB T5J 4C3 510-5th Street S.W. Suite 1100 Calgary, AB T2P 3S2	Tel.: (403) 495-2944 Fax: (403) 495-4507 Tel.: (403) 292-4575 Fax: (403) 292-4578
British Columbia <i>*Vancouver office is also responsible for the Yukon</i>	International Trade Centre 300 West Georgia Street Suite 2000 Vancouver, BC V6B 6E1	Tel.: (604) 666-0434 Fax: (604) 666-0954

Export Development Corporation (EDC)

Ottawa	151 O'Connor Street Ottawa, ON K1A 1K3	Tel.: (613) 598-2500 Fax: (613) 237-2690
Vancouver	One Bentall Centre 505 Burrard Street Suite 1030 Vancouver, BC V7X 1M5	Tel.: (604) 666-6234 Fax: (604) 666-7550
Calgary	510-5th Street S.W. Suite 1030 Calgary, AB T2P 3S2	Tel.: (403) 292-6898 Fax: (403) 292-6902
Winnipeg <i>*office also serves Saskatchewan</i>	330 Portage Avenue Eighth Floor Winnipeg, MB R3C 0C4	Tel.: (204) 983-5114 Fax: (204) 983-2187
Toronto	National Bank Building 150 York Street Suite 810 P.O. Box 810 Toronto, ON M5H 3S5	Tel.: (416) 973-6211 Fax: (416) 862-1267
London	Talbot Centre 148 Fullarton Street Suite 1512 London, ON N6A 5P3	Tel.: (519) 645-5828 Fax: (519) 645-5580
Montreal	Tour de la Bourse 800 Victoria Square Suite 4520 P.O. Box 124 Montreal, PQ H4Z 1C3	Tel.: (514) 283-3013 Fax: (514) 878-9891
Halifax	Purdy's Wharf, Tower 2 1969 Upper Water Street Suite 1410 Halifax, NS B3J 3R7	Tel.: (902) 429-0426 Fax: (902) 423-0881

Business and Professional Organizations

Austrian Fiberboard Producers Association (Verband der Österreich-ischen Holzfaserplattenwerke) Austrian Chipboard	Producers Association (Verband der Österreich-ischen Spanplattenwerke) Franz Grill Strasse 7 A-1030 Vienna	Tel.: 43-1-799-1694
Austrian Association of Prefabricated Houses (Österreichischer Fertighaus-Verband)	Armin Bauernfeind Lerchenfelderstrasse 48 A-1080 Vienna	Tel.: 43-1-406-8858

Business and Professional Organizations (cont'd)

Bundesinnung der Baugewerbe (FIEC* member)	Münzgasse 6 A-1030 Wien	Tel.: 43-1-718-3737 Fax: 43-1-718-373722
Fachverband des Bauindustrie (FIEC* member)	Karlasse 5 A-1040 Wien	Tel.: 43-1-504-1551 Fax: 43-1-504-1555
	Architect Dipl. Ing. Armin Bauernfeind	Tel.: 43-26-38-87-22
	Dipl. Ing. Mr. Neir Wilhelm Neir Ges.m.b.H & co. KG Einöde 1 A-6921 Kennelbach/Bregenz	Tel.: 43-55-74-71760 Fax: 43-55-52-62118
Bureau de promotion des industries du bois d'oeuvre (BPIB)	Bill Hatch	Tel.: (418) 650-2424
Structural Board Association	John Lowood 5, Sheppard Avenue East, Suite 412 Willowdale ON M2N 5W9	Tel.: (416) 730-9090 Fax: (416) 730-9013
Kitchen Cabinet Association	Robert Rivard	Tel.: (613) 233-1929
Canadian Construction Association	Michael Atkinson	Tel.: (613) 236-9455 Fax: (613) 236-9526
Canadian Windows and Door Manufacturers Association	Neil Frazer	Tel.: (403) 272-8871 Fax: (403) 569-3181
Canadian Manufactured Housing Institute	James R. Cooke, Executive VP 200-150, Laurier Avenue W Ottawa ON K1P 5J4	Tel.: (613) 563-3520 Fax: (613) 232-8600
Canadian Manufactured Housing Association	Cliff Youdale, Director Technical Services 200-150, Laurier Avenue W Ottawa ON K1P 5J4	Tel.: (613) 563-3060 Fax: (613) 232-8214
Canadian Home Builders Association	Robert Sloat, Director Technical Services 200-150, Laurier Avenue W Ottawa ON K1P 5J4	Tel.: (613) 563-3060 Fax: (613) 232-8214
	COFI Kim McKeen	Tel.: (604) 684-0211
Alliance of Manufacturers and Exporters Canada	99 Bank Street, Suite 250 Ottawa, ON K1P 6B9	Tel.: (613) 238-8888 Fax: (613) 563-9218

Austria Government Offices in Canada

Austrian Embassy	445 Wilbrod Street Ottawa, ON K1N 6M7	Tel.: (613) 563-1444 Fax: (613) 563-0038
Trade Commissioner	1010 Sherbrooke St. W. Suite 1410 Montreal, PQ H3A 2R7	Tel.: (514) 849-3708 Fax: (514) 849-9577
Trade Commissioner	2 Bloor St. East Suite 3330 Toronto, ON M4W 1A8	Tel.: (416) 967-3348 Fax: (416) 967-4101
Trade Commissioner	200 Granville Street Suite 1380 Vancouver, BC V6C 1S4	Tel.: (604) 683-5808 Fax: (604) 662-8528

Multilateral Organizations

World Bank	Washington, DC 20433 U.S.A.	Tel.: (202) 477-1234 Fax: (202) 477-6391
Office for Liaison with International Financial Institutions	Canadian Embassy 501 Pennsylvania Avenue N.W. Washington, DC 20001	Tel.: (202) 682-7719 Fax: (202) 682-7726

Canadian Banks with European Regional Offices

Bank of Montreal	D-6000 Frankfurt am Main 17 Ulmenstrasse 37-39 Frankfurt, Germany 710104	
Canadian Imperial Bank of Commerce European Operations Office	Cottons Centre Cottons Lane London, SE1 2QL, England	Tel.: (011-441-71) 234-6000
National Bank of Canada Europe Regional Office	Princes House 95 Gresham Street London, England EC2V 7LU	
Royal Bank of Canada AG	PO Box 71 07 14 Lyonner Strasse 15 60497 Frankfurt am Main, Germany	
The Toronto-Dominion Bank	Triton Court 14/18 Finsbury Square London, England EC2A 1DB	
Hongkong Bank of Canada	10 Lower Thames Street PO Box 506 London, England EC3R 6AE	



FAX TO
1-800-245-9274
Outside Canada
1-613-748-2016

To avoid double billing,
please do not send
confirmation. A fax will
be treated as an original order.

Check only one (individuals must prepay all orders.)

Name		
Company or Organization	Position Title	
Address		
City	Province/State/Country	Postal/Zip Code
Telephone Number ()	Fax Number ()	

<input type="checkbox"/>	Please charge my
VISA	<input type="checkbox"/> American Express
	<input type="checkbox"/> MasterCard
Card Number	
<div style="border-bottom: 1px solid black; height: 20px;"></div>	
Expiry Date	
<div style="border-bottom: 1px solid black; height: 20px;"></div>	
Signature	
<div style="border-bottom: 1px solid black; height: 20px;"></div>	
<input type="checkbox"/>	Payment enclosed \$ _____
Please make cheque or money order payable to CMHC	

To Complete See Example on Reverse Side

[illegible]

SOURCE (How did you hear about the product?) TV AD <input type="checkbox"/> <input type="checkbox"/> CATALOGUE NEWSPAPER <input type="checkbox"/> <input type="checkbox"/> FLYER/BROCHURE MAGAZINE <input type="checkbox"/> <input type="checkbox"/> OTHER	Subtotal Column 3		A	Subtotal Column 5 <div style="border: 1px solid black; width: 100px; height: 40px; display: inline-block;"></div> Refer to Shipping and Handling Charges on the back of this form for the shipping and handling amount. SEE EXAMPLE ON REVERSE
	SHIPPING CHOICE Regular Mail <input type="checkbox"/> Courier <input type="checkbox"/>	ADD Shipping & Handling	B	
	Subtotal (Add A + B)		C	
U.S. AND INTERNATIONAL ORDERS Please pay subtotal C in U.S. Funds (do not add GST or PST)	Registration #100756428	ADD GST (7% of subtotal C)	D	
	Subtotal (Add C + D)		E	
	Quebec residents add PST (6.5% of Subtotal E)		F	
	Total (Add E + F)		G	

Shipping and Handling Charges

Points	Canada Regular Rates	Canada Courier Rates	U.S. Regular Air Rates	U.S. Courier Rates	International Regular Air Rates	International Courier Rates	Europe Courier Rates
1	2.55	5.00	5.00	11.00	7.00	24.00	19.00
2	3.65	8.00	6.50	14.00	9.00	30.00	25.00
3 to 5	5.80	11.07	8.11	30.75	12.18	63.75	47.75
6 to 10	6.18	11.07	12.46	34.75	20.61	88.75	55.75
11 to 20	6.43	12.35	18.08	42.75	38.77	118.75	71.75
21 to 40	6.94	14.90	23.81	58.75	64.65	193.75	103.75
41 to 60	7.44	17.62	29.48	74.75	68.12	253.75	129.75
61 to 80	7.95	20.51	35.15	90.75	117.36	313.75	149.75
81 to 100	8.45	23.35	40.92	106.75	146.60	373.75	169.75
101 to 120	8.96	26.20	46.59	120.75	166.71	433.75	189.75
121 to 140	9.46	29.05	52.31	134.75	184.72	493.75	209.75
141 to 160	9.97	31.90	58.00	148.75	207.45	553.75	229.75
161 to 180	10.47	34.75	63.71	162.75	228.92	613.75	249.75
181 to 200	10.98	35.60	69.38	176.75	250.29	658.75	269.75
201 to 220	11.48	40.45	75.05	190.75	N/A	718.75	289.75
221 to 240	11.99	43.30	80.72	204.75	N/A	778.75	309.75
241 to 260	12.49	46.15	86.49	218.75	N/A	838.75	329.75
261 to 280	13.00	49.00	92.21	232.75	N/A	901.75	349.75
281 to 300	13.50	51.85	97.88	246.75	N/A	958.75	369.75
Estimated Delivery times	2-3 weeks	5-10 days	2-3 weeks	5-10 days	4-8 weeks	12 days	12 days

Prices Subject to Change

CMHC Return Policy

We will replace damaged materials and correct shipping errors if we are notified within thirty days after you receive your shipment. If an item is not defective or not mistakenly shipped, then it must be returned by you at your cost within thirty days of receipt. It must arrive here in resaleable condition for you to receive credit.

International Note: Most international return shipments arrive damaged. If you received damaged items, contact CMHC at (613) 748-2969. Please do NOT return the damaged items unless we ask.

Example: To complete order form and determine shipping and handling charges

ORDER NUMBER	REPORT TITLE <small>Please be sure the order number and report title match the listing</small>	1 QTY	2 ITEM AMOUNT \$	3 TOTAL AMOUNT 1 x 2	4 SHIPPING POINTS	5 TOTAL SHIPPING POINTS 1 x 4
NHA 8003	Brazil	1	35.-	35.-	3	3
NHA 8009	Western Europe	2	23.-	46.-	3	6
					3	
					3	
SOURCE (How did you hear about the product?) TV AD <input type="checkbox"/> CATALOGUE NEWSPAPER <input type="checkbox"/> FLYER/BROCHURE MAGAZINE <input type="checkbox"/> OTHER		Subtotal Column 3		A 81.-	Subtotal Column 5	
		SHIPPING CHOICE Regular Mail <input checked="" type="checkbox"/> Courier <input type="checkbox"/>		B 6.18	Refer to Shipping and Handling Charges on the back of this form for the shipping and handling amount.	
ADD Shipping & Handling		C 87.18				
Subtotal (Add A + B)		D 6.10				
Registration #100756428		E 93.28				
ADD GST (7% of subtotal C)		F -				
Subtotal (Add C + D)		G 93.28				
U.S. AND INTERNATIONAL ORDERS Please pay subtotal C in U.S. Funds (do not add GST or PST)		Quebec residents add PST (6.5% of Subtotal E)				
		Total (Add E + F)				

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